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FORMER HEALTH CARE FINANCING EXECUTIVE AND ASSOCIATE FOUND GUILTY OF CONSPIRACY, WITNESS TAMPERING AND OBSTRUCTION

WASHINGTON – A federal jury has found two men guilty of all charges in a witness tampering scheme related to a major fraud trial held in Columbus, Ohio, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Attorney Gregory G. Lockhart of the Southern District of Ohio announced today.

Lance Poulsen, 64, of Port Charlotte, Fla., the former owner and chief executive of National Century Financial Enterprises (NCFE), and his personal associate, Karl A. Demmler, 57, of Columbus were found guilty following a week-long jury trial.

The jury returned verdicts of guilty on each of the charges in a four-count indictment which charged the pair with conspiracy, witness tampering and obstruction of justice. The witness tampering focused on a key witness, Sherry Gibson, scheduled to testify in the trial of Poulsen and others in a \$2 billion fraud at NCFE.

At the obstruction trial, before Judge Alegnon L. Marbley, the government presented evidence that Poulsen and Demmler engaged in a conspiracy to tamper with Gibson's anticipated trial testimony and obstruct the NCFE fraud trial. The jury heard several months of recordings of meetings between Demmler and Gibson and more than two months of intercepted wire communications between Poulsen and Demmler. The recordings revealed that the men offered Gibson money to lie and tried to influence her testimony at the NCFE fraud trial.

Poulsen was originally indicted along with six other former owners and senior executives. Following his arrest on obstruction charges on Oct. 18, 2007, Poulsen was severed from the other defendants in the NCFE fraud case and will be tried on those charges in August 2008.

In the related NCFE fraud trial, five NCFE executives were found guilty of all charges on March 13, 2007, in Columbus in a jury trial before Judge Marbley. At the NCFE fraud trial, the government presented evidence that the defendants engaged in a scheme to deceive investors and rating agencies as to the financial health of NCFE and how investor monies would be used.

"For our system of justice to function effectively, the public must be able to trust that witnesses and jurors will be free from tampering by defendants," said Assistant Attorney General

Alice S. Fisher of the Criminal Division. “These convictions show the government’s commitment to ensuring that justice cannot be bought in this country.”

“We are committed to investigating and prosecuting witness tampering and are proud to see justice served in Ohio,” said U.S. Attorney Gregory G. Lockhart of the Southern District of Ohio. “The investigation revealed the money for lies crime and the prosecution proved that such undue influences must fail.” Lockhart praised the investigation efforts of the FBI and Assistant U.S. Attorney Doug Squires and Trial Attorneys Leo Wise and Nathan Dimock who prosecuted the case.

Poulsen and Demmler each face a maximum term of imprisonment of 35 years and fines of up to \$250,000 on each of the four counts. A sentencing date will be set by Judge Mabley.

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